

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6634**

**BILL NUMBER:** SB 272

**NOTE PREPARED:** Dec 15, 2006

**BILL AMENDED:**

**SUBJECT:** Determination of High School Graduation Rates.

**FIRST AUTHOR:** Sen. Sipes

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill provides that a student who has received a general educational development (GED) diploma by the end of the semester in which the student's class graduates is not included as a dropout for purposes of determining a school's graduation rate.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** *Summary:* The proposed change to the graduation rate calculation could affect the Department of Education's determination of a school's Adequate Yearly Progress (AYP). The Department would be able to make the calculation change within its existing level of resources. The exact number of high school students the provision could affect is unknown.

***Background Information:***

*AYP-* Adequate Yearly Progress is the designation applied to schools that meet the requirements of the federal No Child Left Behind Act. In order to make AYP, schools must satisfy *one* of the following conditions: (A) Meet performance, participation, and attendance/graduation targets for groups of students (with 30 or more students) or (B) Reduce the number of students not meeting performance targets by 10% (also known as the Safe Harbor Provision) and meet attendance/graduation rate targets. School corporations must meet either of the above conditions in one or more grade spans: Elementary (Grades K–5), Middle School (Grades 6-8), and High school (Grades 9-12).

*Adult Education Program-* As of January 3, 2007, 11,479 students aged 16-18 are participating in an adult education program. Of the total, 5,796 are involved with Adult Basic Education and 5,343 are involved with

Adult Secondary Education. During the same year, 9,871 students of all ages were enrolled in either Adult Basic Education (low) or Adult Basic Education (high) programs including Adult Secondary Credit and the GED.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under the bill, schools could experience higher graduation rates than the rates calculated under current law. The proposed calculation could affect a school's AYP and accreditation status.

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Schools.

**Information Sources:** <http://www.doe.state.in.us/adulted/pdf/postperf05.pdf>;  
<http://www.doe.state.in.us/ayp/2005/AYPFactSheetI051906.pdf>.

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